JAMIESON COOTE BONDS

Fund Update as at 31 March 2025
CC JCB Active Bond Fund (APIR: CHN0005AU)

Fund Performance

Returns	1 month	3 months	FYTD	1 year	3 years p.a.	5 years p.a.	7 years p.a.	Since inception p.a. (03-Aug-2016)
Fund Net Return[1]	0.17%	1.14%	3.11%	1.98%	0.79%	-1.52%	1.03%	1.06%
Benchmark Return[2]	0.12%	1.16%	3.52%	2.47%	1.08%	-1.28%	1.30%	1.14%

Fund Benefits

Active Management
JCB is a specialist fixed income manager with significant global investment management experience and expertise.

Superior Liquidity and Credit Quality
A domestic high grade bond strategy that invests in Australian Government, semi-Government and supranational bonds (AAA or AA rated securities), providing investors with superior liquidity and credit quality.

Diversification and Income
When bonds are held as part of a broader portfolio of different asset classes, diversification may assist in managing market volatility. Bond securities in general are considered a defensive asset class. The income generated by bond securities is consistent and regular (usually semi-annual).

Fund Facts

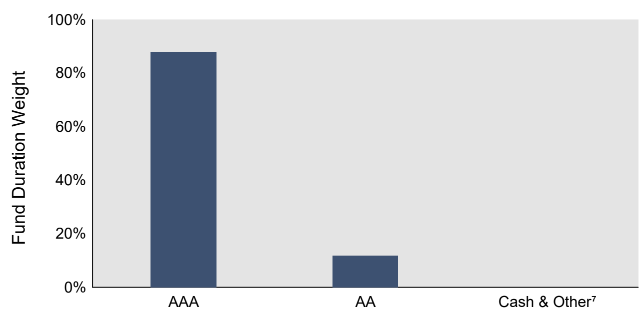
Investment Manager	JamiesonCooteBonds Pty Ltd
Structure	AAA or AA rated bond securities issued in Australian dollars
Inception Date	03 Aug 2016 [3]
Benchmark	Bloomberg AusBond Treasury 0+ Yr Index
Management Fee	0.45% p.a.[4]
Administration Fee	0.10% p.a.[4]
Buy / Sell Spread	0.05% / 0.05%
Distributions	Semi-annual
Fund Size	AUD $1,193 million [5]

Fund Characteristics

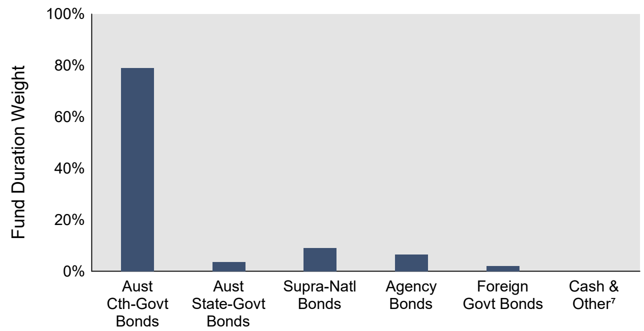
Characteristics[6]	Fund	Benchmark[2]
Modified Duration (yrs)	5.45	5.05
Yield to Maturity (%)	4.23	4.03
Weighted Ave. Credit Rating	AAA	AAA
Cash Weighting (%)	0.25	n/a

Source: JamiesonCooteBonds Pty Ltd.

Allocation by Rating (Duration Weight)[6]



Allocation by Sector (Duration Weight)[6]



Platform Availabilty

AMP MyNorth	Asgard	Ausmaq
Aust Money Market	BT Panorama	Colonial First Wrap
HUB24	Implemented Portfol	Macquarie Wrap
Mason Stevens	MLC Navigator	MLC Wrap
Netwealth	PowerWrap	Praemium
uXchange	Xplore Wealth	

Further Information

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[1] Performance is for the CC JCB Active Bond Fund (APIR: CHN0005AU), also referred to as Class A units, and is based on month end unit prices before tax in Australian Dollars. Net performance is calculated after management fees and operating costs. Individual Investor level taxes are not taken into account when calculating returns.This is historical performance data. It should be noted the value of an investment can rise and fall and past performance is not indicative of future performance. [2] Benchmark refers to the Bloomberg AusBond Treasury 0+ Yr Index. [3] Inception Date for performance calculation purposes. [4] All figures disclosed include the net effect of GST and RITC. [5] Fund size refers to the CC JCB Active Bond Fund ARSN 610 435 302. [6] Refer to Definition of Terms. [7] Cash & Other includes cash at bank, outstanding settlements and futures margin accounts.

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Market Review & Outlook

March 2025 was characterised by notable volatility in the fixed income markets, with key yields experiencing significant fluctuations. The US 10-year Treasury yield started and ended the month at 4.24%, trading within a 30-basis point (bps) range from 4.10% to 4.40%. This was a narrower range compared to the previous month's 4.21% to 4.66%. In Australia, the 10-year futures implied yield rose from 4.34% to 4.45%, trading within a 32 bps range from 4.26% to 4.58%. The 3-year futures implied yield fell slightly from 3.75% to 3.72%, trading within a 24 bps range from 3.63% to 3.87%.

The US 10-year Treasury yield experienced heightened intraday volatility, particularly during the first week of March. However, the overall trading range remained relatively tight, with no key levels being breached. Yields were influenced by ongoing trade and tariff headlines, reflecting uncertainty in survey data such as PMIs and consumer confidence. At the March FOMC meeting, the US Federal Reserve (US Fed) held interest rates steady, but markets focused on the US Fed's projection of lower economic growth. Investors, already concerned about growth over inflation, saw this as validation, largely ignoring higher inflation forecasts and a more hawkish dot plot.

In Australia, key highlights included the monthly labour market and CPI data. Employment fell by 52,800, significantly more than the expected 30,000 gain. Despite the participation rate falling by 0.4 points and the unemployment rate remaining steady, this print resulted in lower front-end rates. The monthly CPI fell to 2.4% year-over-year, slightly below consensus estimates of 2.5%, continuing to show ongoing disinflation in market services.

The cross-market AU/US 10-year spread widened, fluctuating between 10-20 bps. Generally, when US interest rates fell, Australian interest rates underperformed. Most central banks globally held their policy interest rates steady in March, with the Swiss National Bank being the only major bank to cut interest rates by 25 bps, bringing their benchmark rate to 0.25%.

Market moves in March saw the Reserve Bank of Australia (RBA) cash rate pricing for the end of 2025 fall to 3.4% from 3.5%, while the US Fed's end-2025 pricing fell to 3.5% from 3.7%. The AU 3Y/10Y curve steepened by 14 bps to 68.3 bps, more than the US equivalent, which rose by 9.2 bps. Both curves are now the steepest since late 2021/early 2022.

Q1 2025 was an incredibly tumultuous period for markets, with the S&P 500 posting its biggest quarterly decline since 2022. The main driver was an aggressive round of tariffs, as US President Donald Trump launched measures going well beyond his first term, with reciprocal tariffs still looming on 2 April. The release of DeepSeek's AI model led to growing questions about big tech valuations, and the Magnificent 7 ended the quarter in bear market territory. European equities saw significant outperformance thanks to a huge fiscal regime shift towards higher defence spending. The first quarter of 2025 marked the biggest quarterly performance gap between the STOXX 600 and the S&P 500 in a decade. The overall tone was generally risk-off for markets, and as the conversation turned increasingly towards stagflation, gold prices posted their biggest quarterly gain since 1986.

Overall, JCB's strategy was successful in navigating the uncertain environment, dynamically managing duration, and capitalising on spread tightening opportunities.

JCB

Jamieson Coote Bonds

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Fund Review

For the month ending March, the CC JCB Active Bond Fund - Class A units (the Fund) returned 0.17% (after fees), outperforming the Bloomberg AusBond Treasury (0+Yr) Index.

Whilst the market saw high intraday volatility within interest rates markets, overall trading ranges were relatively suppressed as headlines were digested awaiting the 'reciprocal tariffs' announcement from US President Donald Trump'se Adminstration scheduled for 2 April. The 10-year US Treasury (UST) began the month at 4.25%, oscillated around that level and then finished the month unchanged. The 10y Australian Commonwealth Government Bonds (ACGB) finished the month around 11 basis points higher than the start of the month, closing at 4.45%. The lack of diection in the bond markets was led by the notable uncertainty ahead on the trade front. The economic uncertainty was a catalyst for the slowing in soft data such as the Purchasing Managers' Index (PMI) and consumer confidence in the US. Whilst there is so much uncertainty, corporates and consumers alike have slowed their spending intentions and it is only time before this will reverberate through the hard data prints such as Consumer Price Index (CPI) and jobs numbers.

The portfolio was successfully traded dynamically on the duration front over the month and respected the trading ranges, fading both strength and weakness. As the volatility compressess, JCB sees an increased likelihood of a breakout one way or the other. With the downside risks to growth on the back of the mentioned uncertainty, JCB sees the skew of outcomes towards lower yields.

Semi-government and Supranationals performed well over the month as swap spreads continued to tighten. A key catalyst for the spread tightening was the release of the Australian Government's budget which showed increased deficits spend on the back of fresh tax cuts in coming years. This saw spread products outperform the ACGB curve. JCB took advantage of the strength and reduced spread positions in South Australian Government Financing Authority (SAFA) 2031s, Treasury Corporation of Victoria (TCV) 2028s and TCV 2040s. This left the portfolio clean and nimble ahead of the tariff announcements with a reduced spread position, and all in the zero to five year part of the curve.

Definition of Terms:

Modified Duration - is a systematic risk or volatility measure for bonds. It measures the bond portfolio's sensitivity to changes in interest rates.
Yield to Maturity - is the total return anticipated on the portfolio if the bond holdings were held until their maturity.
Weighted Average Credit Rating - is a measure of credit risk. It refers to the weighted average of all the bond credit ratings in a bond portfolio.
Duration Weight - refers to the portion of the overall duration attributable to the segment (i.e. credit rating or sector), as a percentage of overall portfolio duration. Contribution to duration is calculated by multiplying an instruments duration by the percentage weight of the instrument in the portfolio. This calculation includes the contribution to duration by holding futures